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## ABSTRACT OF THE DISCLOSURE

Method and system for executing a software application in a virtual environment includes a file system hook operatively interposed between a file system manager and a file system driver of the local computer, the file system hook configured to detect a file system call corresponding to a target program and to perform one or more procedures, and an agent procedure executing on the local computer to configure the file system hook for executing the target program. Also provided is a token file corresponding to the target program, the token file including file system overlay information for the target program. The one or more procedures may include accessing data at a server terminal operatively coupled to the local computer via a data network, or at a locally connected CD-ROM drive. Numerous other aspects are provided.